



U.S. Small Business
Administration

Agenda

- **EIDL Overview**
- **PPP Overview**
- **CARL Overview**
- **Resource Partners**
- **Additional Resources**
- **FAQs**





EIDL

Economic Injury Disaster Loan Update

- Available for all eligible small businesses.
- Expires on December 21, 2020.
- As of July 11, 2020, SBA stopped processing EIDL Advance requests, because program funds have been fully allocated. EIDL loan applications will still be processed, even though the Advance is no longer available.
- Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

Eligibility

- Small business owners and qualified agricultural businesses in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19).
- Agricultural businesses includes those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries.

Economic Injury Disaster Loans (EIDL)



3.75% interest rate for small businesses; 2.75% for private non-profits.



Long-term repayments up to 30 years.



May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster.

EIDL Repayment

- **No payments** on EIDL loans for **one year** from date of note.
- Applicant will receive amortization schedule after loan is funded from the servicing department.
- Usually, applicant will be notified before applicant's bank account on file will be debited for payment.
 - Applicant can also request to pay by mail or online payments.

How to Apply for EIDL

- The website for applying for EIDL is www.sba.gov/disaster
- You may also contact the SBA Disaster Customer Service Center (M - F 8:00 am to 8:00 pm, Sat/Sun 8:00 am to 5:00 pm Eastern Time)
 - 1-800-659-2955
 - E-mail: disastercustomerservice@sba.gov
 - TTY: 1-800-877-8339
- If denied:
 - You get six months to provide a written reconsideration request with new supplemental information.
 - If denied a second time, you get an additional 30 days to appeal.

Application



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

The website for applying for EIDL is www.sba.gov/disaster

Application

ELIGIBLE ENTITY VERIFICATION

Choose One:

- ☐ Applicant is a business with not more than 500 employees.
- ☐ Applicant is an agricultural enterprise with not more than 500 employees.
- ☐ Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- ☐ Applicant is a cooperative with not more than 500 employees.
- ☐ Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- ☐ Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- ☐ Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative (but excluding all other agricultural enterprises), with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

The website for applying for EIDL is www.sba.gov/disaster

Application


Review and Check All of the Following:


Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):


- ☐ Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- ☐ No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- ☐ Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- ☐ Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- ☐ Applicant is not in the business of lobbying.
- ☐ Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.


The website for applying for EIDL is www.sba.gov/disaster


Application


DISCLOSURES


BUSINESS INFORMATION


BUSINESS OWNERS INFORMATION


ADDITIONAL INFORMATION


SUMMARY

Step 1 of 3

Business Information

Business Legal Name *

Trade Name *

EIN/SSN for Sole Proprietorship *

Organization Type*

The website for applying for EIDL is www.sba.gov/disaster

Application

Is the Applicant a Non-Profit Organization? *

☐ Yes ☐ No

Is the Applicant a Franchise? *

☐ Yes ☐ No

Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster

Non-Profit or Agricultural Enterprise Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)

Compensation From Other Sources Received as a Result of the Disaster

The website for applying for EIDL is www.sba.gov/disaster

Application

Provide Brief Description of Other Compensation Sources

Primary Business Address (Cannot be P.O. Box) *

City *

State *

County

Zip *

The website for applying for EIDL is www.sba.gov/disaster

Application

Business Phone *	<input type="text"/>
Alternative Business Phone	<input type="text"/>
Business Fax	<input type="text"/>
Business Email *	<input type="text"/>
Date Business Established *	<input type="text" value="mm/dd/yyyy"/>
Current Ownership Since *	<input type="text" value="mm/dd/yyyy"/>
Business Activity *	<input type="text"/>
Detailed Business Activity*	<input type="text"/>
Number of Employees (As of January 31, 2020) *	<input type="text"/>

The website for applying for EIDL is www.sba.gov/disaster



Payroll Protection Program (PPP)

- Application deadline extended to August 8, 2020.
- Must apply through a participating lender.
 - List of lenders located at www.sba.gov/tx/houston.
- SBA will forgive up to 100% of the loan proceeds if used to cover (8) weeks or (24) weeks of eligible expenses, once the loan is disbursed. Covered Period cannot exceed December 31, 2020.
 - Payroll expenses
 - Rent and lease expenses
 - Utility expenses (electricity, gas, water, telephone, transportation and internet access)
 - Mortgage and other interest expenses

Flexibility Act of June 5, 2020

(Seven Changes)

1. Extends the covered period for loan forgiveness from 8 weeks after loan disbursement to 24 weeks.
 - Borrowers who have already received PPP loans retain the option to use an eight-week covered period.
2. Lowers the requirement that **75** percent of a borrower's loan proceeds must be used/spent for payroll costs during the loan forgiveness covered period to **60** percent for each of these requirements.
3. Provides a safe harbor from reductions in forgiveness, based on reductions in full-time equivalent employees, for borrowers that are unable to return to the same level of business activity prior to February 15, 2020, due to compliance with requirements/guidance between March 1, 2020 and December 31, 2020 by the:
 - Secretary of Health and Human Services
 - Director of the Centers for Disease Control and Prevention
 - Occupational Safety and Health Administration, related to worker or customer safety requirements related to COVID-19.

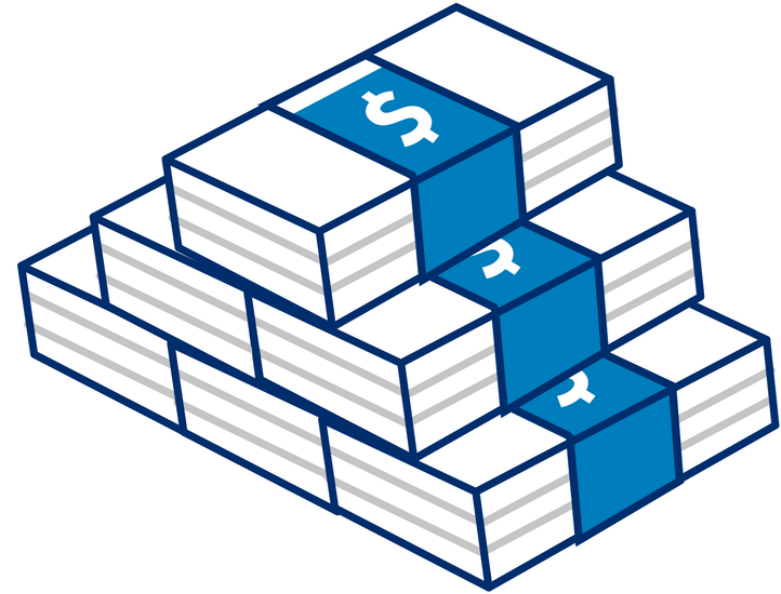
Flexibility Act of June 5, 2020

(Changes 4-7)

4. Provides a safe harbor from reductions in loan forgiveness based on reductions in full-time equivalent employees...
 - unable to rehire individuals who were employees of the borrower on February 15, 2020
 - unable to hire similarly qualified employees for unfilled positions by December 31, 2020.
5. Increases to five years the maturity of PPP loans that are approved by SBA (based on the date SBA assigns a loan number) on or after June 5, 2020.
 - For loans before that time; contact your lender to see if they will adjust to the 5-year term.
6. Extends the deferral period for borrower payments of principal, interest, and fees on PPP loans to the date that SBA remits the borrower's loan forgiveness amount to the lender
 - or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period.
7. Removed the restriction of participating in the deferment (employer portion) of social security payroll tax if you received a PPP loan. Now you can defer through December 31, 2020 and pay the balance deferred 50% on December 31, 2021 and 50% on December 31, 2022.

Loan Details

- No collateral required
- No personal guarantees required
- No fees charged to the Borrower
- Payments are deferred





CARL

Community Advantage Recovery Loans (CARL)



Purpose: The Community Advantage Recovery Loan Program (CARL) is a pilot program to increase SBA-guaranteed loans to small businesses in underserved areas.

The new program will provide technical and financial assistance to small businesses located in underserved markets. It is intended to help these small businesses revamp their operations for the COVID-19 environment and/or to build financial resiliency against future disruptions.



Target Applicant: Underserved Markets within approved CA lender's defined territory.

Community Advantage Recovery Loan Program

- **Maturity Date/Loan Term:** minimum 5-year
 - CARL Maturity must match the use of proceeds – **NO short-term loans!**
- **Maximum Loan Amount:** \$250,000
- **P&I Payments:** for first six months of CARL loan will be paid by SBA under Section 1112 of CARES Act.
- **Loan Disbursement Period:** Must be originated no later than **September 27, 2020** and fully disbursed before **October 1, 2020.**

Community Advantage Recovery Loans (CARL)

- **Technical Assistance (TA) Requirements:**
 - Community Advantage (CA) lender may begin TA 30 days prior to loan approval and must be completed during the first 6 months of the loan term.
 - May be provided by or on behalf of the CARL Lender.
 - Must be tailored to the subject business and may include, but is not limited to:
 - retooling the applicant business model for a COVID-19 environment;
 - shifting to an online presence;
 - building cash reserves; and
 - expense reduction strategies.
 - Minimum of 15 hours Technical Assistance is required (FREE to the client).

Community Advantage Recovery Loans (CARL)

- **CARL loans are eligible for Section 1112 subsidy relief**
 - P&I payments for first six months of CARL loan will be paid by SBA under Section 1112 of CARES Act.
 - The borrower is eligible for Section 1112 Payments of P&I plus fees when the loan is “fully disbursed” in “Regular Servicing”.
 - The loan must be approved by **September 27, 2020** and be fully disbursed before **October 1, 2020**. The following month the lender can submit the request to SBA.

Current List of CARL lenders

As of 7/27/2020

Lender Name	Lender State
CDC Small Business Finance Corporation	CA
Justine Petersen Housing & Reinvestment Corporation	MO
LiftFund, Inc.	TX
Metropolitan Economic Development Association	MN
Mountain West Small Business Finance	UT
Natural Capital Investment Fund, Inc.	WV
PeopleFund	TX
Trenton Business Assistance Corporation	NJ
BSD Capital LLC dba Lendistry	CA
Colorado Enterprise Fund	CO
Flagship Enterprise Center, Inc. (dba Bankable)	IN
Montana Community Development Corp.	MT
Northern Economic Initiative Corp.	MI
West Central Development Corporation	OH
Brightbridge, Inc.	TN
Community Investment Corporation	CT
Evergreen Business Capital	WA
First State Community Loan Fund dba True Access	DE
Growth Capital Corporation	OH
Main Street Launch	CA
Milwaukee Economic Development Corporation	WI
Mountain Bizcapital, Inc.	NC
PCR Small Business Development	CA
Small Business Assistance Corporation	GA
TruFund Financial Services Inc	NY
Union County Economic Development Corporation	NJ
Wisconsin Women's Business Initiative Corporation	WI
Accion (DreamSpring)	NM
Fresno Community Development Financial Institution	CA
Florida Business Development Corporation	FL
Empire State Certified Development Corporation	NY
Colorado Lending Source, Ltd.	CO



PHONE: 888-215-2373

WEBSITE: www.liftfund.com



PHONE: 888-222-0017

WEBSITE: www.peoplefund.org/carl/

Resource Partners



Important Non-Monetary Assistance from SBA

SBA has three local Resource Partners:

- Texas Gulf Coast Small Business Development Centers (SBDC)
- SCORE Mentors
- The WBEA Women's Business Center (WBC)

A range of help during the downturn, to include:

- Cash Flow Management
- Messaging and Social Media
- Import/Export
- Supply Chain Issues
- Strategic Planning
- Risk Management and Insurance Counseling

Contact Information

Small Business Development Center

- **PHONE:** 713-752-8444
- **WEBSITE:** www.sbdc.uh.edu

Houston SCORE

- **PHONE:** 713-487-6565
- **WEBSITE:** www.houston.score.org

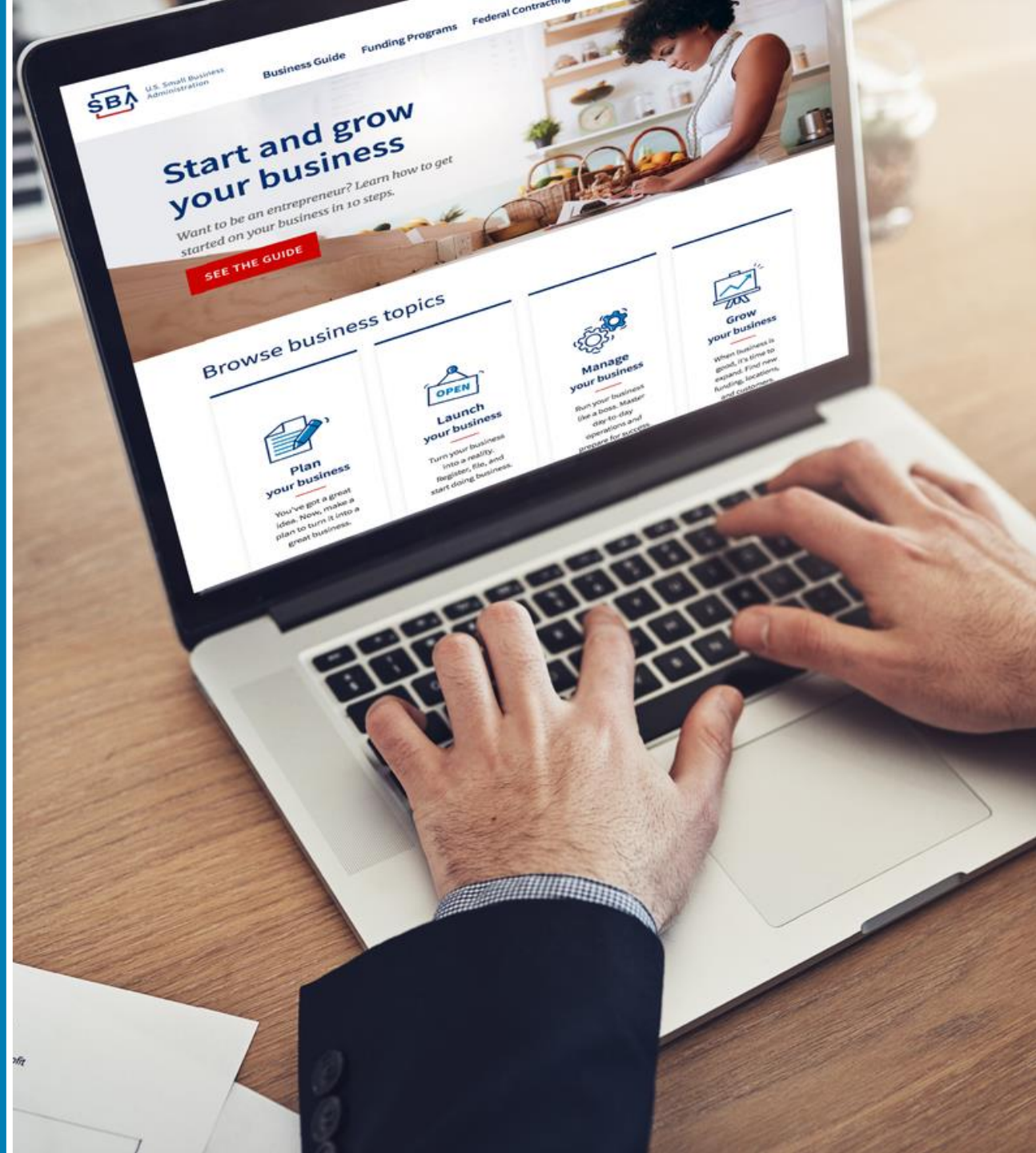
WBEA Women's Business Center

- **PHONE:** 713-681-9232
- **WEBSITE:** www.wbea-texas.org/womens-business-center

U.S. Small Business Administration

- **PHONE:** 713-773-6500
- **SIGN-UP FOR EMAIL UPDATES:** www.sba.gov/tx/houston
- **FOLLOW US ON TWITTER:** @SBA_Houston

Additional Resources



Additional Resources

Visit with your
existing bank

The LiftFund
Program

Texas Restaurant
Association Grant
Program

Check your local EDC
(ex.- Galveston EDP
Short-term Loan
Program)

Brazos Valley
Community Relief
Grant

Harris County Small
Business Recovery
Fund

U.S. Chamber of
Commerce 'Save
Small Business Fund'

Allied Arts Grant
program for artists

Hello Alice COVID-19
Grant

Non-Profit
Organization
Assistance

Visit your local
Chamber of
Commerce

Houston Business
Development, Inc.

Fort Bend County
Grant Program

Small Business
Development Center
Website under
COVID-19 Grants

Frequently Asked Questions



Frequently Asked Questions

- Visit www.sba.gov/tx/houston, under Webinar Schedule and Presentations:
 - *For a copy of this slide deck*
 - *Houston District SBA lender list*
- **Can I check status of my EIDL application?**
 - *1-800-659-2955 or disastercustomerservice@sba.gov*
- **Are EIDL loans forgiven?**
 - *NO, but the Advance* is a grant (is forgiven)*

* PLEASE NOTE: As of July 11, 2020, SBA stopped processing EIDL Advance requests, because program funds have been fully allocated.

Frequently Asked Questions

- **Can I apply for both EIDL and PPP?**
 - *YES; however, you cannot duplicate costs.*
- **I have already submitted my PPP application. Can I submit for the EIDL loan?**
 - *YES, just don't duplicate costs included in the EIDL.*

Frequently Asked Questions

- **Are faith-based organizations, including houses of worship, eligible to receive SBA loans under the EIDL program?**
 - *Yes, and we additionally clarify that faith-based organizations are eligible to receive SBA loans regardless of whether they provide secular social services. That is, no otherwise eligible organization will be disqualified from receiving a loan because of the religious nature, religious identity, or religious speech of the organization.*

Frequently Asked Questions

- **I received an email with an SBA logo. How do I know it is real?**
 - *If its from the SBA it will have a .gov email address*
- **Someone contacted me promising they can get me approved and move me to the head of the line – for a fee. Is this real?**
 - *Suspect fraud!*
 - *Report any suspected fraud to OIG's Hotline at 800-767-0385 or online at <https://bit.ly/2UxdAhL>*

For questions about your specific situation

- ***For the EIDL Loan - SBA Disaster Customer Service:***

- 1-800-659-2955
- TTY: 1-800-877-8339
- E-mail: disastercustomerservice@sba.gov

- ***Reach out to one of our Resource Partners for general guidance:***

Texas Gulf Coast SBDC
713-752-8444
www.sbdc.uh.edu

Houston SCORE
713-487-6565
www.houston.score.org

Women's Business Center
713-681-9232
www.wbea-texas.org/womens-business-center

References and Guidance

- **IFR 136/Borrower (5/22/2020)**
<https://home.treasury.gov/system/files/136/PPP-IFR-Loan-Forgiveness.pdf>
- **HR7010 - ‘Paycheck Protection Program Flexibility Act of 2020’ (6/5/2020)**
<https://www.congress.gov/bill/116th-congress/house-bill/7010>
- **19th IFR – 13 CFR Part 120 (6/17/2020)**
<https://home.treasury.gov/system/files/136/PPP-IFR--Revisions-to-the-Third-and-Sixth-Interim-Final-Rules.pdf>
- **20th IFR – 13 CFR Part 120 (6/22/2020)**
<https://home.treasury.gov/system/files/136/PPP--IFR--Revisions-to-Loan-Forgiveness-Interim-Final-Rule-and-SBA-Loan-Review-Procedures-Interim-Final-Rule.pdf>

“A dream doesn’t become reality through magic; it takes sweat, determination and hard work.” -*Colin Powell*



Questions?

Please send them to houston@sba.gov